STATE OF MONTANA DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION BOARD OF OIL AND GAS CONSERVATION HELENA, MONTANA

CONSERVATION AND PREVENTION)
OF WASTE OF OIL AND GAS)

NOTICE OF PUBLIC HEARING

The Board of Oil and Gas Conservation will hold a business meeting at 2:00 p.m., Wednesday, May 14, 2003 in the conference room at the Board's office at 2535 St. Johns Avenue in Billings, Montana. The agenda for that meeting is:

- 1. Call to order
- 2. Approval of minutes of March 26, 2003 business meeting
- 3. Opportunity for public comment
- 4. Bond report
- 5. Financial report
- 6. Permanent spacing discussion
- 7. Titan Oil
- 8. Legal service contract
- Default docket
- 10. Staff reports

The Board will conduct public hearings pursuant to Chapter 11 of Title 82 of the Montana Code Annotated on the matters described below beginning at 8:00 a.m.Thursday, May 15, 2003, in the conference room of the Billings Professional Club on the 22nd floor of the Sheraton Hotel in Billings, Montana. For more information or to request accommodation for a disability, please contact Terri Perrigo at (406) 444-6675 or Tom Richmond at (406) 656-0040 as soon as possible before the scheduled hearing.

Docket No. 107-2003 and 2-2003 FED

APPLICANT: K2 AMERICA CORP. - GLACIER COUNTY, MONTANA

Upon the application of **K2 AMERICA CORP.** to delineate Lots 3 and 4, SW¼ (W½) of Section 3, T32N-R6W, Glacier County, Montana, as a permanent spacing unit for production of natural gas.

Docket No. 108-2003 and 3-2003 FED

APPLICANT: K2 AMERICA CORP. – GLACIER COUNTY, MONTANA

Upon the application of **K2 AMERICA CORP.** to authorize two wells within Section 27, T33N-R6W, Glacier County, Montana, to test for the presence of natural gas as an exception to the statewide rule. Proposed wells are the Spring Creek 4-27 located approximately 1025' FNL and 1285' FWL and the Spring Creek 9-27 located approximately 2412' FSL and 1100' FEL of said Section 27.

Docket No. 109-2003 and 4-2003 FED

APPLICANT: K2 AMERICA CORP. - GLACIER COUNTY, MONTANA

Upon the application of **K2 AMERICA CORP.** to drill two natural gas test wells within Section 35, T33N-R6W, Glacier County, Montana, as exceptions to the Cut Bank Field rules. Proposed wells are the Spring Creek 6-35 located approximately 1471' FNL and 1449' FWL and the Spring Creek 10-35 located approximately 1627' FSL and 1400' FEL of said Section 35.

Docket No. 110-2003 and 5-2003 FED

APPLICANT: K2 AMERICA CORP. - GLACIER COUNTY, MONTANA

Upon the application of **K2 AMERICA CORP.** to drill two wells within Section 9, T32N-R6W, Glacier County, Montana, to test for the presence of natural gas as an exception to the statewide rule. Proposed wells are the Spring Creek 4-9 located approximately 990' FNL and 1070' FWL and the Spring Creek 10-9 located approximately 1738' FSL and 1593' FEL of said Section 9.

Docket No. 111-2003 and 6-2003 FED

APPLICANT: K2 AMERICA CORP. - GLACIER COUNTY, MONTANA

Upon the application of **K2 AMERICA CORP.** to drill two wells within Section 4, T32N-R6W, Glacier County, Montana, to test for the presence of natural gas as an exception to the statewide rule. Proposed wells are the Spring Creek 4-4 located approximately 1018' FNL and 1273' FWL and the Spring Creek 16-4 located approximately 990' FSL and 1240' FEL of said Section 4.

Docket No. 112-2003 and 7-2003 FED

APPLICANT: K2 AMERICA CORP. – GLACIER COUNTY, MONTANA

Upon the application of **K2 AMERICA CORP.** to drill two wells within Section 20, T32N-R6W, Glacier County, Montana, to test for the presence of natural gas as an exception to the statewide rule. Proposed wells are the Spring Creek 4-20 located approximately 1277' FNL and 1043' FWL and the Spring Creek 15-20 located approximately 1141' FSL and 1634' FEL of said Section 20.

Docket No. 113-2003 and 8-2003 FED

APPLICANT: K2 AMERICA CORP. - GLACIER COUNTY, MONTANA

Upon the application of **K2 AMERICA CORP.** to drill a well approximately 790' FSL and 1825' FEL of Section 34, T33N-R6W, Glacier County, Montana, as an exception to the statewide rule.

Docket No. 114-2003

APPLICANT: SOMONT OIL CO., INC. - TOOLE COUNTY, MONTANA

Upon the application of **SOMONT OIL CO., INC.** to remove Section 10, T36N-R4W from the Fitzpatrick Lake Field and respace it on quarter section spacing units for all formations from the surface to and through the Swift Formation; to allow increased drilling density in the Amanda Field including Sections 14, 22, 23, the W½ of Section 24 and the W½ of Section 25, T36N-R4W, Toole County, Montana, from the present one well per spacing unit to two wells per spacing unit with one well permitted per quarter section; and to space Section 26, T36N-R4W, Toole County, Montana, below the Dakota Formation and through the Swift Formation on quarter section spacing units.

Docket No. 115-2003

APPLICANT: <u>HEADINGTON OIL, LIMITED PARTNERSHIP - RICHLAND COUNTY, MONTANA</u>

Upon the application of **HEADINGTON OIL, LIMITED PARTNERSHIP** to delineate all of Section 18, T25N-R54E, Richland County, Montana, as a field and permanent spacing unit for production of oil and associated natural gas from the Bakken Formation and designating applicant's Irigoin #24X-18 well as the only authorized well for said

spacing unit.

Docket No. 116-2003

APPLICANT: HEADINGTON OIL, LIMITED PARTNERSHIP - RICHLAND COUNTY, MONTANA

Upon the application of **HEADINGTON OIL, LIMITED PARTNERSHIP** to delineate Section 19, T24N-R55E, Richland County, Montana, as a field and permanent spacing unit for production of oil and associated natural gas from the Bakken Formation and designating applicant's Vaira #24X-19 well as the only authorized well for said spacing unit.

Docket No. 117-2003

APPLICANT: <u>HEADINGTON OIL, LIMITED PARTNERSHIP - RICHLAND COUNTY, MONTANA</u>

Upon the application of **HEADINGTON OIL, LIMITED PARTNERSHIP** to delineate Lots 1, 2, E½NW¼, E½ of Section 18, T24N-R56E, Richland County, Montana, as a field and permanent spacing unit for production of oil and associated natural gas from the Bakken Formation and designating applicant's Gladowski Ranch #41X-18 well as the only authorized well for said spacing unit.

Docket No. 118-2003

APPLICANT: <u>HEADINGTON OIL, LIMITED PARTNERSHIP - RICHLAND COUNTY, MONTANA</u>

Upon the application of **HEADINGTON OIL, LIMITED PARTNERSHIP** to delineate all of Sections 6 and 7, T24N-R56E, Richland County, Montana, as a field and permanent spacing unit for production of oil and associated natural gas from the Bakken Formation and designating applicant's Fink Farms #23X-6 well as the only authorized well for said spacing unit.

Docket No. 119-2003

APPLICANT: HEADINGTON OIL, LIMITED PARTNERSHIP - RICHLAND COUNTY, MONTANA

Upon the application of **HEADINGTON OIL, LIMITED PARTNERSHIP** to designate a temporary spacing unit comprised of all of Sections 18 and 19, T24N-R57E, Richland County, Montana, for the drilling of up to two dual-lateral horizontal wells in the Bakken Formation and authorizing applicant to locate said wells anywhere within such temporary spacing unit but not closer than 660 feet to boundaries thereof.

Docket No. 120-2003

APPLICANT: <u>HEADINGTON OIL, LIMITED PARTNERSHIP – RICHLAND COUNTY, MONTANA</u>

Upon the application of **HEADINGTON OIL, LIMITED PARTNERSHIP** to designate a temporary spacing unit comprised of all of Section 33, T24N-R56E and all of Section 4, T23N-R56E, Richland County, Montana, for the drilling of up to two dual-lateral horizontal wells in the Bakken Formation and authorizing applicant to locate said wells anywhere within such temporary spacing unit but not closer than 660 feet to the boundaries thereof.

Docket No. 121-2003

APPLICANT: ROBINSON OIL COMPANY, LLC - TOOLE COUNTY, MONTANA

Upon the application of ROBINSON OIL COMPANY, LLC to drill and produce a well approximately 84' FSL

and 1660' FEL of Section 10, T32N-R2E, Toole County, Montana, as an exception to the Devon Field rules.

Docket No. 122-2003

APPLICANT: ROBINSON OIL COMPANY, LLC - TOOLE COUNTY, MONTANA

Upon the application of **ROBINSON OIL COMPANY, LLC** to drill and produce its proposed McCarter 24-1 well approximately 110' FWL and 1732' FNL of Section 24, T32N-R2E, Toole County, Montana, as an exception to the East Devon Field well location rules.

Docket No. 123-2003

APPLICANT: BRANCH OIL & GAS - LIBERTY COUNTY, MONTANA

Upon the application of **BRANCH OIL & GAS** to drill a second gas well in the center of the SE¼SE¼ of Section 4, T34N-R4E, Liberty County, Montana, and to drill two wells in the E½ of Section 4, T34N-R4E, Liberty County, Montana, to each separate productive zone as exceptions to the Grandview Field rules.

Docket No 124-2003

APPLICANT: FIDELITY EXPLORATION & PRODUCTION COMPANY - FALLON COUNTY, MONTANA

Upon the application of **FIDELITY EXPLORATION & PRODUCTION COMPANY** to delineate the NE¼ of Section 26, T9N-R58E, Fallon County, Montana, as a permanent spacing unit for production of Eagle Sand Formation natural gas as an exception to the Cedar Creek Gas Field rules. Applicant advises that evidence in support of the application will be supplied in affidavit form and requests that any protests be filed with the Board at least five days prior to the date of the hearing.

Docket No. 125-2003

APPLICANT: FIDELITY EXPLORATION & PRODUCTION COMPANY - BIG HORN COUNTY, MONTANA

Upon the application of **FIDELITY EXPLORATION & PRODUCTION COMPANY** for approval of its Plan of Development for coal bed methane exploration and development upon lands in Big Horn County, Montana, which is to drill and develop the following described lands on well densities greater than one well per 640 acres:

T9S-R40E

Section 23: All

Section 24: All

Section 25: All

Section 26: All

Section 35: Lots 1, 2, 3, & 4, N½S½, N½ (All)

Section 36: Lots 1, 2, 3, & 4, N½S½, N½ (All)

T9S-R41E

Section 19: Lots 5, 6, 7 & 8, E½W½, E½ (All)

Section 30: Lots 5, 6, 7 & 8, E½W½, E½ (All)

Section 31: Lots 8, 9, 10, 11, 12, 13 & 14, E½NW¼, NE¼SW¼, N½SE¼, NE¼ (All)

Docket No. 126-2003

APPLICANT: FIDELITY EXPLORATION & PRODUCTION COMPANY - BIG HORN COUNTY, MONTANA

Upon the application of **FIDELITY EXPLORATION & PRODUCTION COMPANY** to enlarge and re-delineate the CX Field, Big Horn County, Montana, to include the following described lands:

T9S-R40E

Section 23: All Section 24: All Section 25: All Section 26: All

Section 35: Lots 1, 2, 3, & 4, N½S½, N½ (All) Section 36: Lots 1, 2, 3, & 4, N½S½, N½ (All)

T9S-R41E

Section 19: Lots 5, 6, 7 & 8, E½W½, E½ (All) Section 30: Lots 5, 6, 7, & 8, E½W½, E½ (All)

Section 31: Lots 8, 9, 10, 11, 12, 13, & 14, E½NW¼, NE¼SW¼, N½SE¼, NE¼ (All).

Applicant further requests that the following described lands in Big Horn County, Montana, be subject to Board Orders 108-97 and 174-2000 which delineated permanent spacing units within the CX Field on the basis of regular quarter section spacing units with the operator permitted to drill up to four (4) wells per coal bed or horizon in each quarter section with no well located closer than 220 feet to the boundary of each quarter section:

T9S-R40E

Section 23: All Section 24: All Section 25: All

Section 36: Lots 1, 2, 3, & 4, N½S½, N½ (All)

<u>T9S-R41E</u>

Section 19: Lots 5, 6, 7 & 8, E½W½, E½ (All) Section 30: Lots 5, 6, 7 & 8, E½W½, E½ (All)

Section 31: Lots 8, 9, 10, 11, 12, 13 & 14, E½NW¼, NE¼SW¼, N½SE¼, NE¼ (All).

Applicant also requests the following described lands in Big Horn County, Montana, be designated as permanent spacing units within the CX Field upon the basis of regular governmental section spacing units with applicant permitted to drill up to sixteen (16) wells per coal bed or horizon in each such permanent spacing unit with no well located closer than 220 feet to the exterior boundary of each such 640-acre permanent spacing unit:

T9S-R40E Section 26: All Section 35: Lots 1, 2, 3, & 4, N½S½, N½ (All).

Alternatively, applicant requests that said lands be designated as permanent spacing units on the basis of regular governmental section spacing units with applicant permitted to drill up to sixteen (16) wells per coal bed or horizon in each such permanent spacing unit with no well located closer than 220 feet to the exterior boundary of each such 640-acre permanent spacing unit.

Applicant has filed a separate application for certain Bureau of Land Management land in Big Horn County, Montana, described as follows:

T9S-R40E

Section 23: W½SE¼
Section 24: E½NE¼, W½NW¼, S½
Section 25: All
Section 26: NE¼SW¼, SE¼, S½NE¼, SE¼NW¼
Section 35: N½NE¼, NW¼

T9S-R41E

Section 19: Lots 5 & 6, E½NW¼, N½NE¼ Section 30: Lots 5, 6, 7 & 8, E½W½, E½ (All) Section 31: Lots 8, 9, 10, 11, 12, 13 & 14, E½NW¼, NE¼SW¼, N½SE¼, NE¼ (All).

Docket No. 127-2003

APPLICANT: SLAWSON EXPLORATION COMPANY, INC. - RICHLAND COUNTY, MONTANA

Upon the application of **SLAWSON EXPLORATION COMPANY, INC.** to create a temporary spacing unit comprised of the Lots 1, 2, 3, 4, 5, 6, 7, S½NE¼, SE¼NW¼, E½SW¼, SE¼ (All) of Section 6 and Lots 1, 2, 3, 4, E½W½, E½ (All) of Section 7, T25N-R54E, Richland County, Montana, and authorizing the drilling of not more than two dual-lateral horizontal Bakken Formation wells thereon at locations not closer than 660 feet to the boundaries of said temporary spacing unit.

Docket No. 128-2003

APPLICANT: SLAWSON EXPLORATION COMPANY, INC. - RICHLAND COUNTY, MONTANA

Upon the application of **SLAWSON EXPLORATION COMPANY, INC.** to create a temporary spacing unit comprised of all of Sections 13 and 24, T24N-R53E, Richland County, Montana, for the drilling of up to two dual-lateral horizontal wells in the Bakken Formation and authorizing applicant to locate said wells anywhere within said temporary spacing unit but not closer than 660 feet to the boundaries thereof.

Docket No. 129-2003

APPLICANT: <u>LYCO ENERGY CORPORATION - RICHLAND COUNTY, MONTANA</u>

Upon the application of **LYCO ENERGY CORPORATION** to delineate all of Section 24, T25N-R53E, Richland County, Montana, as a field and permanent spacing unit for production of oil and associated natural gas from the

Bakken Formation and authorizing up to two horizontal wells to be located anywhere within said spacing unit but not closer than 660 feet to the spacing unit boundaries.

Docket No. 130-2003

APPLICANT: LYCO ENERGY CORPORATION - RICHLAND COUNTY, MONTANA

Upon the application of **LYCO ENERGY CORPORATION to** delineate all of Section 15, T24N-R55E, Richland County, Montana, as a field and permanent spacing unit for production of oil and associated natural gas from the Bakken Formation and authorizing up to two horizontal wells to be located anywhere within said spacing unit but not closer than 660 feet to the spacing unit boundaries.

Docket No. 131-2003

APPLICANT: LYCO ENERGY CORPORATION - RICHLAND COUNTY, MONTANA

Upon the application of **LYCO ENERGY CORPORATION** to delineate all of Section 28, T25N-R54E, Richland County, Montana, as a field and permanent spacing unit for production of oil and associated natural gas from the Bakken Formation and authorizing up to two horizontal wells to be located anywhere within said spacing unit but not closer than 660 feet to the spacing unit boundaries.

Docket No. 132-2003

APPLICANT: LYCO ENERGY CORPORATION - RICHLAND COUNTY, MONTANA

Upon the application of **LYCO ENERGY CORPORATION to** delineate Lots 1, 2, 3, 4, S½S½ (All) of Section 4 and all of Section 9, T24N-R55E, Richland County, Montana, as a field and permanent spacing unit for production of oil and associated natural gas from the Bakken Formation and authorizing up to two horizontal wells to be located anywhere within said spacing unit but not closer than 660 feet to the spacing unit boundaries.

Docket No. 133-2003

APPLICANT: LYCO ENERGY CORPORATION - RICHLAND COUNTY, MONTANA

Upon the application of **LYCO ENERGY CORPORATION to** create a temporary spacing unit comprised of Lots 1, 2, 3, 4, S½S½ (All) of Section 3 and all of Section 10, T24N-R55E, Richland County, Montana, for the drilling of up to two horizontal wells in the Bakken Formation and authorizing applicant to locate said wells anywhere within said temporary spacing unit but not closer than 660 feet to the boundaries thereof.

Docket No. 134-2003

APPLICANT: LYCO ENERGY CORPORATION - RICHLAND COUNTY, MONTANA

Upon the application of **LYCO ENERGY CORPORATION** to create a temporary spacing unit comprised of all of Sections 20 and 29, T25N-R54E, Richland County, Montana, for the drilling of up to two horizontal wells in the Bakken Formation and authorizing applicant to locate said wells anywhere within said temporary spacing unit but not closer than 660 feet to the boundaries thereof.

Docket No. 135-2003

APPLICANT: LYCO ENERGY CORPORATION - RICHLAND COUNTY, MONTANA

Upon the application of **LYCO ENERGY CORPORATION** to create a temporary spacing unit comprised of all of Sections 23 and 26, T24N-R55E, Richland County, Montana, for the drilling of up to two horizontal wells in the Bakken Formation and authorizing applicant to locate said wells anywhere within said temporary spacing unit but not closer than 660 feet to the boundaries thereof.

Docket No. 136-2003

APPLICANT: EOG RESOURCES, INC. - RICHLAND COUNTY, MONTANA

Upon the application of **EOG RESOURCES, INC.** to create a temporary spacing unit comprised of all of Sections 15 and 22, T25N-R53E, Richland County, Montana, for the drilling of up to two dual-lateral horizontal wells in the Bakken Formation and authorizing applicant to locate said wells anywhere within such temporary spacing unit but not closer than 660 feet from the boundaries thereof.

Docket No. 137-2003

APPLICANT: CONTINENTAL RESOURCES, INC. - RICHLAND COUNTY, MONTANA

Upon the application of **CONTINENTAL RESOURCES, INC.** for a permit to drill an oil and gas well in the SW¼SE¼ of Section 20, T25N-R53E, Richland County, Montana. This application has been set for a hearing before the Board on the demand of EOG Resources, Inc.

Docket No. 138-2003

APPLICANT: CONTINENTAL RESOURCES, INC. - RICHLAND COUNTY, MONTANA

Upon the application of **CONTINENTAL RESOURCES, INC.** for a permit to drill an oil and gas well in the SW¼SE¼ of Section 28, T25N-R53E, Richland County, Montana. This application has been set for a hearing before the Board upon the demand of EOG Resources, Inc.

Docket No. 139-2003

APPLICANT: GREAT NORTHERN DRILLING CO., INC. - LIBERTY COUNTY, MONTANA

Upon the application of **GREAT NORTHERN DRILLING CO., INC.** to designate the W½SW¼ of Section 4, the E½SE¼ of Section 5, the E½NE¼ of Section 8 and the W½NW¼ of Section 9, all in T34N-R4E, Liberty County, Montana, as a 320-acre permanent spacing unit for its Grandview KSB 44X-5 well for production of gas from all zones from the surface to the top of the Rierdon Formation and authorizing drilling and production of gas from two wells per producing zone, formation or horizon within said spacing unit with a 660 foot setback requirement and a distance of not less than 1320 feet between wells producing from the same zone, formation or horizon. [Grandview Field]

Docket No. 140-2003

APPLICANT: GREAT NORTHERN DRILLING CO., INC. - LIBERTY COUNTY, MONTANA

Upon the application of **GREAT NORTHERN DRILLING CO., INC.** for an order pooling all interests on the basis of surface acreage in the spacing unit comprised of the W½SW¼ of Section 4, the E½SE¼ of Section 5, the

E½NE¼ of Section 8 and the W½NW¼ of Section 9, all in T34N-R4E, Liberty County, Montana, for the production of natural gas from all zones from the surface to the top of the Rierdon Formation and for the imposition of non-joinder penalties pursuant to Section 82-11-202, M.C.A. on each refusing owner with respect to the drilling, completion and operation of the Grandview KSB 44X-5 well in said spacing unit. [Grandview Field]

Docket No. 141-2003

APPLICANT: CAMWEST II L.P. - SHERIDAN COUNTY, MONTANA

Upon the application of **CAMWEST II L.P.** to designate the SW¼ of Section 29 and the SE¼ of Section 30, T37N-R57E, Sheridan County, Montana, as a 320-acre temporary spacing unit for the Nisku Formation and permitting drilling of a Nisku horizontal test well with a proposed surface location in the NE¼SE¼ of Section 30, T37N-R57E, and providing that the lateral shall at no point penetrate the Nisku Formation at a distance of less than 520 feet from the northern boundary and 660 feet from the remaining exterior boundaries of the temporary spacing unit as an exception to A.R.M. 36.22.703.

Docket No. 142-2003

APPLICANT: KLABZUBA OIL & GAS, INC. - HILL COUNTY, MONTANA

Upon the application of **KLABZUBA OIL & GAS, INC.** to designate all of Section 29, T37N-R15E, Hill County, Montana, as a temporary spacing unit, to authorize drilling an Eagle Sand Formation gas well 2544' FNL and 781' FEL of said Section 29 with a 75-foot tolerance in any direction for topographic reasons as an exception to A.R.M. 36.22.702.

Docket No. 143-2003

APPLICANT: KLABZUBA OIL & GAS, INC. - HILL COUNTY, MONTANA

Upon the application of **KLABZUBA OIL & GAS, INC.** to designate the SW¼ of Section 20, T37N-R15E, Hill County, Montana, as a temporary spacing unit for purposes of drilling and producing applicant's Federal-Signal Butte #20-37-15 Eagle Sand Formation gas well at a proposed location 1151' FSL and 2111' FWL of said Section 20 with a 75-foot tolerance in any direction for topographic reasons as an exception to A.R.M. 36.22.702 and any other applicable Board orders.

Docket No. 144-2003

APPLICANT: KLABZUBA OIL & GAS, INC. - HILL COUNTY, MONTANA

Upon the application of **KLABZUBA OIL & GAS, INC.** to designate the W½ of Section 14 and the E½ of Section 15, T36N-R15E, Hill County, Montana, as a permanent spacing unit for production of gas from the Eagle Sand Formation.

Docket No. 145-2003

APPLICANT: KLABZUBA OIL & GAS, INC. - HILL COUNTY, MONTANA

Upon the application of **KLABZUBA OIL & GAS, INC.** to designate the SW¼ of Section 30 and the NW¼ of Section 31, T34N-R15E, Hill County, Montana, as a permanent spacing unit for production of gas from the Eagle Sand Formation.

Docket No. 146-2003

APPLICANT: EAGLE CREEK COLONY - LIBERTY COUNTY, MONTANA

Upon the application of **EAGLE CREEK COLONY** to amend the Grandview Field spacing rules to designate the SW¼ of Section 9, T34N-R4E, Liberty County, Montana, as a 160-acre temporary spacing unit for production of natural gas and to require a 660 foot setback from the exterior boundary for any well drilled in said spacing unit.

Docket No. 147-2003

APPLICANT: CONTINENTAL RESOURCES, INC. - FALLON COUNTY, MONTANA

Upon the application of **CONTINENTAL RESOURCES, INC.** to convert its Husted #13-14SH well in Section 14, T6N-R61E, West Cedar Hills Unit, Fallon County, Montana, to inject air into the Red River "B" Formation.

Docket No. 148-2003

APPLICANT: CONTINENTAL RESOURCES, INC. - FALLON COUNTY, MONTANA

Upon the application of **CONTINENTAL RESOURCES, INC.** to convert its Husted #22-15NH well in Section 15, T6N-R61E, West Cedar Hills Unit, Fallon County, Montana, to inject air into the Red River "B" Formation.

Docket No. 149-2003

APPLICANT: CONTINENTAL RESOURCES, INC. - FALLON COUNTY, MONTANA

Upon the application of **CONTINENTAL RESOURCES, INC.** to convert its Husted #22-15SH well in Section 15, T6N-R61E, West Cedar Hills Unit, Fallon County, Montana, to inject air into the Red River "B" Formation.

Docket No. 150-2003

APPLICANT: CONTINENTAL RESOURCES, INC. - RICHLAND COUNTY, MONTANA

Upon the application of **CONTINENTAL RESOURCES, INC.** to create a permanent spacing comprised of all of Sections 26 and 35, T24N-R54E, Richland County, Montana, to drill up to two multilateral horizontal wells in the Bakken Formation with said wells to be located anywhere within said spacing unit but not less than 660 feet to the proposed permanent spacing unit boundary.

Docket No. 151-2003

APPLICANT: CONTINENTAL RESOURCES, INC. - RICHLAND COUNTY, MONTANA

Upon the application of **CONTINENTAL RESOURCES, INC.** to pool all interests in the permanent spacing unit described as all of Sections 26 and 35, T24N-R54E, Richland County, Montana, for production of oil and associated natural gas from the Bakken Formation and authorizing the recovery of the risk penalty as provided by

Docket No. 152-2003

APPLICANT: CONTINENTAL RESOURCES, INC. - RICHLAND COUNTY, MONTANA

Upon the application of **CONTINENTAL RESOURCES, INC.** to create a permanent spacing unit comprised of all of Section 3, T23N-R55E and all of Section 34, T24N-R55E, Richland County, Montana, to drill up to two multilateral horizontal wells in the Bakken Formation with said wells to be located anywhere within said spacing unit but not less than 660 feet from the proposed permanent spacing unit boundaries.

Docket No. 153-2003

APPLICANT: CONTINENTAL RESOURCES, INC. - RICHLAND COUNTY, MONTANA

Upon the application of **CONTINENTAL RESOURCES, INC.** to pool all interests in the permanent spacing unit described as all of Section 3, T23N-R55E and all of Section 34, T24N-R55E, Richland County, Montana, for production of oil and associated natural gas from the Bakken Formation and authorizing recovery of the risk penalty as provided by M.C.A. 82-11-202.

Docket No. 154-2003

APPLICANT: CONTINENTAL RESOURCES, INC. - RICHLAND COUNTY, MONTANA

Upon the application of **CONTINENTAL RESOURCES, INC.** to create a permanent spacing unit comprised of all of Sections 15 and 22, T24N-R54E, Richland County, Montana, for the drilling of up to two multilateral horizontal wells in the Bakken Formation and authorizing said wells to be located anywhere within said spacing unit but not less than 660 feet to the proposed permanent spacing unit boundary.

Docket No. 155-2003

APPLICANT: CONTINENTAL RESOURCES, INC. - RICHLAND COUNTY, MONTANA

Upon the application of **CONTINENTAL RESOURCES, INC.** to pool all interests in the permanent spacing unit comprised of all of Sections 15 and 22, T24N-R54E, Richland County, Montana, for production of oil and associated natural gas from the Bakken Formation and authorizing recovery of the risk penalty as provided by M.C.A. 82-11-202.

Docket No. 156-2003

APPLICANT: CONTINENTAL RESOURCES, INC. - RICHLAND COUNTY, MONTANA

Upon the application of **CONTINENTAL RESOURCES, INC.** to create a permanent spacing unit comprised of all of Sections 3 and 10, T23N-R54E, Richland County, Montana, to drill up to two multilateral horizontal wells in the Bakken Formation with said wells to be located anywhere within said spacing unit but not less than 660 feet to the proposed permanent spacing unit boundary.

Docket No. 157-2003

APPLICANT: CONTINENTAL RESOURCES, INC. - RICHLAND COUNTY, MONTANA

Upon the application of **CONTINENTAL RESOURCES, INC.** to pool all interests in the permanent spacing unit comprised of all of Sections 3 and 10, T23N-R54E, Richland County, Montana, for production of oil and associated natural gas from the Bakken Formation and authorizing recovery of the risk penalty as provided by M.C.A. 82-11-202.

Docket No. 158-2003

APPLICANT: MONTANA LAND & EXPLORATION, INC. - BLAINE COUNTY, MONTANA

Upon the application of **MONTANA LAND & EXPLORATION, INC.** for an exception to statewide well location rules with regard to Section 29, T34N-R22E, Blaine County, Montana, by allowing applicant to drill a natural gas well 1180' FSL and 370' FEL of said Section 29.

Docket No. 159-2003

APPLICANT: MONTANA LAND & EXPLORATION, INC. - BLAINE COUNTY, MONTANA

Upon the application of **MONTANA LAND & EXPLORATION, INC.** to drill a natural gas well in Section 9, T33N-R22E, Blaine County, Montana, approximately 1170' FNL and 820' FWL of said Section 9 as an exception to the statewide rule.

Docket No. 160-2003

APPLICANT: MONTANA BOARD OF OIL AND GAS CONSERVATION - DAWSON COUNTY, MONTANA

Upon the motion of the **MONTANA BOARD OF OIL AND GAS CONSERVATION** to vacate the Glendive Field rules and the Gas City Field rules with respect to the following described lands in Dawson County, Montana:

	GLENDIVE FIELD				
T15N-R54E	T15N-R55E	T14N-R54E	T14N-R55E		
Section 14: All	Section 31: All	Section 1: All	Section 5: All		
Section 15: All			Section 6: All		
Section 22: E1/2			Section 7: W½		
Section 23: All			Section 8: E1/2		
			Section 16: W½NW¼		
			Section 17: W½, W½SE¼		
			Section 18: All		

GAS CITY FIELD			
T13N-R55E	T14N-R55E		
Section 1: N½, W½SW¼, SE¼	Section 14: S½SW¼, NW¼SW¼		
Section 2: NE1/4NE1/4, SW1/4SW1/4	Section 15: S½NE¼, NW¼NE¼, SE¼, NW¼, NE¼SW¼		
Section 3: SW¼NE¼, E½NW¼, N½SW¼, SE¼SW¼, SE½	Section 16: NE¼, SE¼NW¼		

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	Section 20: W½NE¼, SE¼NE¼, W½,	
	SE1/4	
	Section 21: W½SW¼	
	Section 22: E½E½, NW¼NE¼	
	Section 23: W½, SE¼, S½NE¼,	
	NW¼NE¼	
	Section 24: SW1/4SE1/4, S1/2SW1/4,	
	NW¼SW¼	
	Section 25: All	
	Section 26: All	
	Section 27: E½E½, SW¼NE¼,	
	NW¼SE¼	
	Section 28: W½NW¼, SE¼NW¼,	
	SW¼, W½SE¼	
	Section 29: NE1/4	
	Section 33: E½	
	Section 34: W½SW¼, SE¼SW¼	
Section 35: E½, E½NW¼, NV		
Section 36: All		

Docket No. 161-2003

APPLICANT: J. BURNS BROWN OPERATING COMPANY - HILL COUNTY, MONTANA

Upon the application of **J. BURNS BROWN OPERATING COMPANY to** drill an additional Eagle gas well in the permanent spacing unit comprised of the S½NE¼, N½SE¼ of Section 25, T34N-R14E, Hill County, Montana, at a location not less than 330 feet from the exterior boundaries of said unit.

Docket No. 162-2003

APPLICANT: J. BURNS BROWN OPERATING COMPANY - HILL COUNTY, MONTANA

Upon the application of **J. BURNS BROWN OPERATING COMPANY for** an order permitting an additional Eagle Formation gas well in the permanent spacing unit comprised of the S½S½ of Section 25 and the N½N½ of Section 36, T34N-R14E, Hill County, Montana, at a location not less than 990 feet from the exterior boundaries of said unit.

Docket No. 163-2003

APPLICANT: J. BURNS BROWN OPERATING COMPANY - HILL COUNTY, MONTANA

Upon the application of **J. BURNS BROWN OPERATING COMPANY for** an order pooling all interests on the basis of surface acres in the spacing unit comprised of the S½S½ of Section 25 and the N½N½ of Section 36, T34N-R14E, Hill County, Montana, for production of natural gas from the Eagle Formation.

Docket No. 164-2003

APPLICANT: J. BURNS BROWN OPERATING COMPANY - BLAINE COUNTY, MONTANA

Upon the application of **J. BURNS BROWN OPERATING COMPANY for** an order permitting the drilling of an additional Eagle gas well in the N½ of Section 30, T32N-R19E, Blaine County, Montana, at a location 1850' FNL and

600' FWL of said Section 30 with a 75-foot tolerance in any direction except west for topographic reasons as an exception to the Black Coulee Field rules.

Docket No. 165-2003

APPLICANT: NANCE PETROLEUM CORPORATION - SHERIDAN COUNTY, MONTANA

Upon the application of **NANCE PETROLEUM CORPORATION** for an order designating the W½ of Section 13, T33N-R58E and the E½ of Section 14, T33N-R58E, Sheridan County, Montana, as a 640-acre temporary spacing unit for the Gunton Formation and permitting the drilling of a dual-lateral horizontal test well in said temporary spacing unit provided that the horizontal laterals shall at no point penetrate the Gunton Formation at a distance of less than 400 feet from the northern boundary and 660 feet from the remaining exterior boundaries of the temporary spacing unit as an exception to A.R.M. 36.22.703. [Brush Lake Field]

Docket No. 166-2003 and 9-2003 FED

APPLICANT: NANCE PETROLEUM CORPORATION - SHERIDAN COUNTY, MONTANA

Upon the application of **NANCE PETROLEUM CORPORATION** to designate the S½ of Section 33, T33N-R58E, Sheridan County, Montana, as a 320-acre permanent spacing unit for the Red River and Nisku Formations; to designate the Jerome #15-33 well as the permitted well within said spacing unit; and to permit the commingling of Red River and Nisku production in the Jerome #15-33 well. [Clear Lake South]

Docket No. 167-2003

APPLICANT: BURLINGTON RESOURCES OIL & GAS COMPANY LP - FALLON COUNTY, MONTANA

Upon the application of **BURLINGTON RESOURCES OIL & GAS COMPANY LP to** enlarge the Cedar Creek Gas Field established by Board Orders 1-61 and 4-97 and create 320-acre temporary or permanent spacing units for production of gas from the Eagle Formation under the following lands in Fallon County, Montana, each spacing unit to be comprised at the option of the operator of two adjacent quarter sections lying within the following described sections with up to four permitted wells per spacing unit to be located not closer than 660 feet to the unit boundaries: all of Section 36, T11N-R57E; all of Sections 6, 8, 16, 20 and 28, the E½ of Section 18 and the E½ of Section 34, all in T10N-R58E; and the W½ of Sections 2 and 10 and the E½ of Section 4, all in T9N-R58E.

Docket No. 168-2003

APPLICANT: OCEAN ENERGY, INC. - HILL COUNTY, MONTANA

Upon the application of **OCEAN ENERGY, INC.** to eliminate the requirement that a border agreement be completed and authorizing Ocean Energy, Inc. to disburse production proceeds from the Boyce #34-3B-30-15 well. [Tiger Ridge Field]

Docket No. 169-2003

APPLICANT: OCEAN ENERGY, INC. - HILL COUNTY, MONTANA

Upon the application of **OCEAN ENERGY, INC.** to drill an additional Eagle Sand Formation gas well anywhere in Section 20, T32N-R15E, Hill County, Montana, not closer than 660 feet to the spacing unit boundaries as an exception to Board Orders 10-70 and 56-85. [Tiger Ridge Field]

Docket No. 170-2003

APPLICANT: OCEAN ENERGY, INC. - BLAINE COUNTY, MONTANA

Upon the application of **OCEAN ENERGY, INC.** to drill an additional Eagle Sand Formation gas well in Section 15, T27N-R19E, Blaine County, Montana, not closer than 660 feet to the spacing unit boundaries as an exception to Board Order 45-76. [Sawtooth Mountain Field]

Docket No. 171-2003

APPLICANT: OCEAN ENERGY, INC. - BLAINE COUNTY, MONTANA

Upon the application of **OCEAN ENERGY, INC.** to drill an Eagle Sand Formation gas well 1760' FNL and 440' FWL of Section 33, T28N-R19E, Blaine County, Montana, with a 125-foot tolerance for topographic reasons as an exception to Board Orders 45-76 and 62-89. [Sawtooth Mountain Field]

Docket No. 172-2003

APPLICANT: OCEAN ENERGY, INC. - BLAINE COUNTY, MONTANA

Upon the application of **OCEAN ENERGY, INC.** to drill two additional Eagle Sand Formation gas wells anywhere within Section 9, T26N-R20E, Blaine County, Montana, not closer than 660 feet to the boundaries thereof with a 200-foot tolerance in any direction for topographic reasons as an exception to A.R.M. 36.22.702.

Docket No. 173-2003

APPLICANT: OCEAN ENERGY, INC. - BLAINE COUNTY, MONTANA

Upon the application of **OCEAN ENERGY, INC.** to drill an Eagle-Virgelle Formation gas well anywhere within the spacing unit comprised of the N½ of Section 27, T27N-R17E, Blaine County, Montana, but not closer than 660 feet to the boundaries thereof with a 150-foot tolerance for topographic reasons as an exception to Board Order 26-74. [Bullwacker Field]

Docket No. 174-2003

APPLICANT: OCEAN ENERGY, INC. - CHOUTEAU COUNTY, MONTANA

Upon the application of **OCEAN ENERGY, INC.** to drill an Eagle-Virgelle Formation gas well within the spacing unit comprised of the S½ of Section 24, T27N-R16E, Chouteau County, Montana, but not closer than 660 feet to the boundaries thereof with a 150-foot tolerance for topographic reasons as an exception to Board Order 26-74. [Bullwacker Field]

Docket No. 175-2003

APPLICANT: OCEAN ENERGY, INC. - CHOUTEAU COUNTY, MONTANA

Upon the application of **OCEAN ENERGY, INC.** to drill an Eagle-Virgelle Formation gas well 1330' FSL and 1930' FEL of Section 25, T27N-R15E, Chouteau County, Montana, with a 200-foot tolerance for topographic reasons as an exception to Board Order 26-74. [Bullwacker Field]

Docket No. 176-2003

APPLICANT: OCEAN ENERGY, INC. - CHOUTEAU COUNTY, MONTANA

Upon the application of **OCEAN ENERGY, INC.** to drill an additional Eagle-Virgelle Formation gas well anywhere within the spacing unit comprised of the S½ of Section 21, T27N-R16E, Chouteau County, Montana, but not closer than 660 feet to the boundaries thereof with a 100-foot tolerance for topographic reasons as an exception to Board Order 26-74. [Bullwacker Field]

Docket No. 177-2003

APPLICANT: OCEAN ENERGY, INC. - CHOUTEAU COUNTY, MONTANA

Upon the application of **OCEAN ENERGY, INC.** to drill two additional Eagle-Virgelle Formation gas wells anywhere within the spacing unit comprised of the N½ of Section 21, T27N-R16E, Chouteau County, Montana, but not closer than 660 feet to the boundaries thereof with a 100-foot tolerance for topographic reasons as an exception to Board Order 26-74. [Bullwacker Field]

Docket No. 178-2003

APPLICANT: CORTEZ OPERATING COMPANY - DAWSON COUNTY, MONTANA

Upon the application of **CORTEZ OPERATING COMPANY** to create a temporary spacing unit comprised of the N½ of Section 16 and the E½NE¼ of Section 17, T14N-R55E, Dawson County, Montana, for the drilling of a multilateral horizontal well in the Red River Formation and authorizing said well to be located anywhere within such temporary spacing unit but not closer than 330 feet to the boundaries thereof.

Docket No. 179-2003

APPLICANT: CORTEZ OPERATING COMPANY - DAWSON COUNTY, MONTANA

Upon the application of **CORTEZ OPERATING COMPANY to** create a temporary spacing unit comprised of the NE½NE½ of Section 2, T13N-R55E, and the SE½ and SW½NE½ of Section 35, T14N-R55E, both in Dawson County, Montana, for the drilling of a multilateral horizontal well in the Red River Formation and authorizing applicant to locate said well anywhere within said temporary spacing unit but not closer than 330 feet to the boundaries thereof.

Docket No. 180-2003

APPLICANT: CORTEZ OPERATING COMPANY - DAWSON COUNTY, MONTANA

Upon the application of **CORTEZ OPERATING COMPANY to** create a temporary spacing unit comprised of the NW¼NE¼ of Section 22 and the W½SE¼, NE¼SW¼ and SE¼NW¼ of Section 15, T14N-R55E, both in Dawson County, Montana, and to drill a multilateral horizontal well in the Red River Formation, said well to be located anywhere within said temporary spacing unit but not closer than 330 feet to the boundaries thereof.

Docket No. 181-2003

APPLICANT: CORTEZ OPERATING COMPANY - DAWSON COUNTY, MONTANA

Upon the application of **CORTEZ OPERATING COMPANY to** create an enhanced recovery unit for oil and gas within the Red River Formation underlying a portion of the Glendive Field to be known as the Glendive North Red River Unit Area. The requested unit area in Dawson County, Montana is described as follows:

T15N-R54E Section 25: All Section 26: All Section 35: NE1/4 Section 36: All

Containing 2080.00 acres more or less.

Applicant further requests that after hearing the matter the Board enter its order providing for unit operation of the lands and formation thereunder as described above, approving the Unit Agreement and Unit Operating Agreement as constituting a plan of unit operations that is just and reasonable, vacating all existing spacing unit orders as to the unit area and unitized formation, and declaring the order will become effective within the terms of M.C.A. 82-11-207 upon Applicant presenting proof of the requisite approval by the cost-bearing and cost-free owners of interests therein.

Docket No. 38-2003 Continued from February 2003

APPLICANT: PETE WOODS AND MAXINE WOODS - LIBERTY COUNTY, MONTANA

Upon the application of **PETE WOODS AND MAXINE WOODS** for an order designating the SE¼ of Section 17, T36N-R4E, Liberty County, Montana, as the permanent spacing unit for production of natural gas from all zones, formations or horizons from the surface of the earth to the base of the Sunburst Formation.

Docket No. 40-2003 Continued from February 2003

APPLICANT: EOG RESOURCES, INC. - RICHLAND COUNTY, MONTANA

Upon the demand of **EOG RESOURCES, INC.** to be heard concerning Lyco Energy Corporation's application for a drilling permit in the SE¼SE¼ of Section 22, T25N-R53E, Richland County, Montana.

Docket No. 50-2003 Continued from March 2003

APPLICANT: <u>HEADINGTON OIL, LIMITED PARTNERSHIP - RICHLAND COUNTY, MONTANA</u>

Upon the application of **HEADINGTON OIL, LIMITED PARTNERSHIP to** designate a temporary spacing unit comprised of all of Sections 9 and 16, T25N-R53E, Richland County, Montana, for the drilling of up to two dual-lateral horizontal wells to the Bakken Formation and authorizing applicant to locate its proposed horizontal wells anywhere within said temporary spacing unit but not closer than 660 feet to the boundaries thereof.

Docket No. 53-2003 Continued from March 2003

APPLICANT: <u>HEADINGTON OIL, LIMITED PARTNERSHIP – RICHLAND COUNTY, MONTANA</u>

Upon the application of **HEADINGTON OIL, LIMITED PARTNERSHIP** to create a temporary spacing unit comprised of all of Sections 26 and 35, T25N-R53E, Richland County, Montana, for the drilling of up to two dual-lateral horizontal wells to the Bakken Formation and authorizing applicant to locate its proposed horizontal wells anywhere within said temporary spacing unit but not closer than 660 feet to the boundaries thereof.

Docket No. 59-2003 Continued from March 2003

APPLICANT: HEADINGTON OIL, LIMITED PARTNERSHIP - RICHLAND COUNTY, MONTANA

Upon the application of **HEADINGTON OIL, LIMITED PARTNERSHIP to** create a temporary spacing unit comprised of all of Sections 2 and 11, T25N-R53E, Richland County, Montana, to drill up to two dual-lateral horizontal wells in the Bakken Formation and authorizing applicant to locate said wells anywhere within said temporary spacing unit but not closer than 660 feet to the boundaries thereof.

Docket No. 61-2003 Continued from March 2003

APPLICANT: BURLINGTON RESOURCES OIL & GAS COMPANY, LP - FALLON COUNTY, MONTANA

Upon the application of **BURLINGTON RESOURCES OIL & GAS COMPANY, LP** for permission to dispose of produced water in the Mission Canyon Formation through the ELOB Unit #14-18H well located in Section 18, T6N-R61E, Fallon County, Montana. Applicant proposes to dispose of all ELOB Unit produced water into disposal wells such as the ELOB Unit #14-18H well.

Docket No. 62-2003 Continued from March 2003

APPLICANT: BURLINGTON RESOURCES OIL & GAS COMPANY, LP - FALLON COUNTY, MONTANA

Upon the application of **BURLINGTON RESOURCES OIL & GAS COMPANY, LP** for an underground injection control permit for its ELOB Unit #42-25H well located in the SENE of Section 25, T7N-R60E, Fallon County, Montana. The proposed injection would permit water disposal in the Dakota/Swift Formation of the ELOB Unit #42-25H well. Applicant proposes to dispose of all ELOB Unit produced water into disposal wells such as this one.

Docket No. 219-2002 Continued from October 2002

APPLICANT: ATHENA ENERGY, L.L.C. - LIBERTY COUNTY, MONTANA

Upon the application of **ATHENA ENERGY L.L.C.** for an order delineating the SW¼ of Section 1, the SE¼ of Section 2, the NE¼ of Section 11 and the NW¼ of Section 12, all in T32N-R6E, Liberty County, Montana, as a permanent spacing unit for the production of natural gas. Applicant desires to drill a well within the SW¼ of said Section 1 to test the presence of natural gas at a location approximately 440' FWL and 920' FSL of said Section 1. Applicant requests authorization to drill said test well and produce the same if completed as a well capable of commercial production of natural gas.

BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF MONTANA

Terri Perrigo, Executive Secretary